

## PRIVATIZATION OF WAR AND THE U.S. MILITARY OPERATIONS

The mercenary captains are either capable men or they are not; if they are, you cannot trust them, because they always aspire to their own greatness, either by oppressing you, who are their master, or others contrary to your intentions; but if the captain is not skilful, you are ruined in the usual way.

Niccollo Machiavelli, *The Prince*, chapter XII

### Who are they?

Guess, which forces constituted the second greatest contributor to coalition forces during the invasion in Iraq in 2003. The U.S. military was the first one, but the British, with around 9,900 troops, were not the second. They were the third with private contractors being ahead of them. There were over 10,000 private military contractors during *Operation Iraqi Freedom*. Currently nobody exactly knows how many private contractors work in Iraq. According to the correspondence between the then Secretary of Defense, Donald Rumsfeld, and Ike Skelton, a Democrat Congressman, of May 2004, there might have been as many as 20,000 private employees on contracts in Iraq. However, in June 2006 the U.S. Government Accountability Office presented its report to the Congress in which it referred to the calculations made by Private Security Company Association in Iraq, according to which there were 48,000 private contractors hired by 181 companies.<sup>1</sup>

These actors are referred to as: private military contractors, private security contractors, guns for hire, soldiers of fortune, corporate warriors, paid war-makers, etc. In the past they were commonly called "mercenaries." Today this term would be perceived as offensive because the Geneva Convention of 1949 bans mercenary. Thus, modern-day mercenary has been institutionalized and organized into corporations which do not call themselves and do not want to be called "mercenaries." Instead they call themselves and are referred to as Private Military Companies (PMCs) or Private Security Companies (PSCs).<sup>2</sup>

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<sup>1</sup> *Rebuilding Iraq: Action Still Needed to Improve the Use of Private Security Providers*, Washington D.C.: U.S. Government Accountability Office, June 2006.

<sup>2</sup> See: P. W. Singer, *Corporate Warriors. The Rise of the Privatized Military Industry*, Ithaca: Cornell University Press, 2003; K. Silverstein, *Private Warriors*, London: Verso, 2000; D. Avant, *Private Security Companies*, "New Political Economy," vol. 10, no. 1, March 2005, pp. 121–31.

Private military firms operate in over 50 countries and are really transnational. The majority of them are U.S.-based, but the British and South-African are also the leading ones. PMCs are multinational business companies, usually run by retired military officers, many are listed on the stock exchange. In 2005 *Armor Group*, the British corporation, which entered London Stock Exchange, achieved profits of 124 million pounds and its estimated value was about 30 mln pounds. Many of these companies have been the fastest-growing firms since the 1990s and since the war on terrorism was declared, the stock prices of PMCs have risen significantly. When we look globally, in 2004 profits of the whole private war sector were approximately 900 million dollars. In 2005 they reached 2,5 billion dollars.<sup>3</sup>

A young member of British SAS earns about 3,500 dollars per month. In "circulation," as soldiers refer to the private market, he can get as much as 26,000 dollars.<sup>4</sup> Corporate warriors are paid between 500 and 1,500 dollars a day which means that even though they are less exposed to risk than soldiers, they earn much more.

PMCs have participated not only in every single UN operation since 1990 but also every single U.S. military operation since the end of the Cold War was backed up by private firms. The number of private contractors as well as the scope of their tasks have risen gradually.

## What do private military contractors do?

PMCs actually do almost everything related to security as the war in Iraq illustrates. They offer their services to governments of strong and weak states, to private business companies and corporations, and to non-governmental organizations. So "what do they do?" They do not simply run soup kitchens for the military. They do feed U.S. troops but also do many other jobs. Here are some examples of their activities.

1) they operate sophisticated high-tech weapon systems:

- for example, they operate and maintain unmanned aerial vehicles like Predator and Global Hawk, as well as stealth B-2 bombers, F-117 fighters or U-2 reconnaissance planes,
- they fly military helicopters,
- in Colombia American private security companies fly planes destroying coca plantations;

2) they do intelligence gathering;

3) they train foreign forces:

- when the Pentagon officials talk about training the new Afghan or Iraqi National Army, they do not mean doing this with their own soldiers: U.S. PMCs, mainly *Dyncorp* (one of Pentagon's favorite), won attractive contracts,
- *Science Applications International Corp.* trains Iraqi journalists, police and soldiers,
- *Vinnell Corp.* has been training Saudi Arabian soldiers;

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<sup>3</sup> L. Matther, *Profile Killer*, "The Spectator," November 4, 2006.

<sup>4</sup> *A Shiny Shilling*, "Economist," vol. 377, issue 8449, October 22, 2005.

4) they provide logistics, infrastructure and supply:

- during the Gulf War in 1991 they provided maintenance to tanks and military vehicles,
- private contractors built and serviced Camp Bonsteel in Kosovo, the biggest American military base set up since the Vietnam War;

5) they guard diplomats and private businessmen and companies infrastructure:

- British *Global Risk International* guarded the Baghdad headquarters of Paul Bremer, the U.S. ambassador in Iraq,
- in Kabul, U.S. contractors bodyguarded the Afghan President, Hamid Karzai – a natural target of Taliban assassination attempts,
- in Israel private contractors protect American diplomats,
- British Petroleum hired *Defence Systems Limited* (DSL) to train local forces in protecting its oil pipe-lines in Colombia; DSL also works for such corporate clients seeking for their infrastructure protection as: De Beers, Shell, Mobile, Amoco, Chevron, CARE or GOAL.

To conclude, in Iraq private contractors do almost everything soldiers would do. They shoot. They get shot, sometimes they get killed. They work on contracts with the U.S. government, with the Iraqi government and with private business. What we observe in Iraq is a global trend of privatized military and security services which is changing the character of military conflicts.

## The origins of the contemporary privatization of war

The whole process of the contemporary American privatization of war can be traced back to the 1970s when a group of Vietnam veterans realized that it was possible to make money by selling military expertise abroad. They set up a company and in 1975 signed their first contract – it was with Saudi Arabia to train its army how to guard its oil fields.<sup>5</sup> Although the contract was controversial and led to Senate hearings, similar firms started emerging.

And when you look at 1991, you will see that during the Persian Gulf war, 1 of every 100 people on the battlefield was an American civilian under contract. 12 years later, during the war in Iraq, 1 of every 10 people was a private contractor. In terms of traditional war fighting this was unique since 10% of U.S. war effort in Iraq was conducted by civilians. What did generate this immense rise of privatization?

First of all, the number of U.S. troops was cut off drastically, by almost 1/3, after the end of the Cold War. Soldiers that lost their jobs flow into the free market of services as “gunmen for hire.” The reduction of American military involvement and engagement abroad did not, however, follow this cutback. Therefore, the Pentagon had to find the way to fill in the gap in the army’s size. It turned to private contractors.

Second, privatization is a crucial element of a broader process of changes in traditional civil-military relations. The division between this two spheres is getting blurred.

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<sup>5</sup> D. Avant, *The Implications of Marketized Security for IR Theory: The Democratic Peace, Late State Building, and the Nature and Frequency of Conflict*, “Perspectives on Politics,” vol. 4, no. 3, September 2006, p. 512.

What's more, NGOs and private firms operating within weak or failed states have to provide for their own security because local governments are not empowered to do so. And again they turn to private protectors.

Privatization of war in the West is one sign of a general process or, as some see it, the "privatization revolution," which extends over many spheres of life and involves activities traditionally exclusively conducted by public institutions. Education, pensions, health-care, military industry, etc. are all becoming privatized. Outsourcing is about implementing methods of new public management according to liberal policies. This private-public partnership also entered into the military realm.

The whole process of privatization of war has been speeded up by globalization. PMCs operate globally. Private contractors are flexibly moving actors, able to shift locations quickly and easily in response to changing market requirements.

## PMCs as an instrument of foreign policy

Outsourcing in the field of security is a very good way of by-passing public scrutiny and opposition. Whenever it is necessary to send the military, but the Congress and the American public opinion is reluctant to authorize the action or pay for more soldiers, contractors are a perfect instrument of policy-making. The PMCs executives do not give details to Congress as Pentagon officials do. Their activities largely remain hidden or opaque.

Is it a form of military diplomacy? If it is, it might be highly risky, especially for the U.S., since this would be challenging state-centric practice of diplomacy. Here are pros and cons of using private contractors by the U.S. government.

### Advantages

For states, military outsourcing is extremely comfortable. Contracting out in general, and for U.S. military operations in particular:

#### 1. Saves money

In terms of costs, PMCs are cheaper than soldiers. Let me give you one example. Between April 1995 and January 1997 South-African PMC called *Executive Outcomes* undertook an operation in Sierra Leone. This private company managed to bring under control chaos caused by the civil war in this country. Its overall performance was a great success. 20 months of *Executive Outcome's* successful mission in Sierra Leone cost only 35 million dollars compared to 260 million dollars for the unsuccessful 6-month UN mission that followed.<sup>6</sup>

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<sup>6</sup> J. Schulhofer-Wohl, *Should We Privatize the Peacekeeping?*, "Washington Post," May 12, 2000; D. Shearer, *Privatizing Protection*, "World Today," August/September 2001.

## 2. Avoids accountability (allows to escape political responsibility)

Public opinion is usually not informed on private contractors being killed in action. These casualties are not soldiers, but private employers. This means that state is not responsible for them. Their deaths are not counted in official reports – media would not show them. So, using PMCs as a toll in foreign policy making is advantageous because there is a low risk of public opinion turning against the government.

Sending more soldiers to a conflict zone will be definitively more difficult and politically uncomfortable than hiring a private firm to do the job. Private contractors go where the Pentagon would prefer not to be seen. Using PMCs can escape Congressional limits on troop levels. For instance, during US involvement in Bosnia Congress set the number of troops at 20,000. But using additional 2,000 private contractors allowed to bypass this restriction.<sup>7</sup> What is more, there is actually very little Congressional supervision of contractors hired by the executive. This favors the executive branch of government since it can bypass Congressional questioning and opposition.

## 3. Is highly effective

The use of private contractors is often a much more effective option than deploying organized armed forces. PMCs have to fulfill outsourced tasks effectively if they want to be paid and secure future contracts. It is getting more and more crowded at the security services market. Competition demands high quality of services. PMCs are much more capable of sending highly specialized personnel than national armed forces. For example, working under *African Crisis Response Initiative* private company MPRI was able to send French-speaking instructors to train the military in the francophone African countries. It would be impossible to find those people among soldiers.<sup>8</sup> Another PMC, *Titan*, could recruit translators needed for investigations of Iraqi prisoners.<sup>9</sup> PMCs draw from specialized human data bases of former soldiers, policemen and special forces agents. All of these contributes to the effectiveness of private military option.

## Disadvantages – problems with PMCs as an instrument of foreign policy

Apart from apparent attractiveness of private military contractors they, however, also rise some grim questions that shadow the uncritical usage of PMCs as a policy instrument. Let me briefly encounter with four serious disadvantageous elements.

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<sup>7</sup> L. Wayne, *America's For-Profit Secret Army*, "New York Times," October 13, 2002.

<sup>8</sup> D. Avant, *Contracting to Train Foreign Security Forces: Benefits, Risks and Implications for US Efforts in Iraq*, Statement prepared for the House Armed Services Subcommittee on Oversight and Investigations on contracting issues associated with the development of the Iraqi Security Forces, April 25, 2007, p. 3, House Armed Services Committee, United States House of Representatives, [http://armedservices.house.gov/pdfs/OI042507/Avant\\_Testimony042507.pdf](http://armedservices.house.gov/pdfs/OI042507/Avant_Testimony042507.pdf) (01.07.2007).

<sup>9</sup> D. Avant, *The Privatization of Security: Lessons from Iraq*, "Orbis," vol. 50, issue 2, Spring 2006, pp. 327–42.

## 1. Unclear status

Although they conduct many combat-related activities, they are not soldiers and cannot take orders nor be subjects to command and control. Their primary rationale is not serving a national interest but to make profits for their company and to earn money. They are not essentially politics-driven but economic-driven. They engage in military business – not in military duties. They will do not serve U.S., NATO, EU or UN purposes but instead do their job to make money. One of the greatest illusions of PMCs is that they can, and often do, represent, if not actually serve, national interests. They do not. They are economic actors driven by the potent desire to maximize profits. At this point two powerful interests clash – national and business. Imagine that a PMC engages in a conduct required by its clients but which is illegal. Or think of a PMC refusing to fulfill its contract obligations once this turns out to be non-profitable enough. These are how national and business interests clash.

A recent example of this clash is a firm closing down the airport in Baghdad which it was supposed to guard because of disputes over pay.<sup>10</sup> Nicollo Machiavelli would have something to tell us about this. He condemned mercenaries. Machiavelli warned that you cannot trust mercenaries, you cannot count on them. Why? They will shift employers and loyalties depending on how much money they are offered. They are simply unreliable because what motivates them is self-interest not any grand idea of *raison d'état*.

One could argue though, that this conflict of interests is not always inevitable. The U.S. foreign policy has very often served particular corporate interests of individual companies. However, there is a fundamental difference between a fruit, steel, telephone company and a military corporation. What is at stake with the former is human well-being and welfare. What is at stake with the latter is almost always human life.

## 2. The question of transparency

In this context the picture is more complicated. There is a heavy overlapping of politics, economics, industry, security and private contractors which together comprise political-industrial-military complex. Private sector supports politicians and expects at least favorable treatment. Business is business. According to the Center for Responsive Politics, *DynCorp*, *Bechtel* and *Halliburton* – all of them profiting by being contracted in Iraq – donated political parties, mainly the Republicans, with over 2 million dollars between 1999 and 2002.<sup>11</sup> This political patronage marks the emergence of a new industrial-civilian-military complex.

## 3. The question of accountability and the lack of regulation

To whom are they accountable? Who bears the responsibility in cases of tragic events or private contractors' misbehavior (including crimes)? Is it a country (the U.S. government),

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<sup>10</sup> C. Lehnardt, *Regulating the Private Commercial Military Sector*, Workshop Report, Institute for International Law and Justice, New York: New York University School of Law, December 2005, p. 8.

<sup>11</sup> J. Krane, *Private Firms Do U.S. Military's Work*, "Associated Press," October 29, 2003.

a company or shareholders? Private contractors are not accountable for their actions to governments just like soldiers are. They do the public business but are not accountable to the public.

For sure, the lack of regulation is a result not only of unwillingness but also of inability to control or even monitor PCMs. The process of privatization of war takes place in the context of globalizing international economy and global capitalism. These globalizing trends escape state control.

#### 4. Misuse

The lack of control and monitoring that could prevent misuse by PMCs sometimes leads to unethical behavior and wrong-doing of their personnel. Sometimes private contractors commit crimes or act in an ethically questionable manner. Let me give you 4 examples.

In the 1990 in Bosnia *DynCorp* operated a sex-slave of young women (buying and selling girls as young as 12 years old) forced to prostitution. They simply enslaved people. Since these private contractors were not soldiers, they were not subjects to military discipline. The only consequence for their offences was to dismiss and send them back home.<sup>12</sup>

In 1994 in Croatia *Military Professional Resources, Inc.* trained local forces which afterwards performed one of the worst examples of “ethnic cleansing” during which 100,000 habitants were forced to leave their homes. Hundreds were killed.<sup>13</sup>

In 2001 in Peru a private military contractor shot down a plane just because he misidentified it as smuggling drugs.

Two private contractors participated in the interrogations in the Abu Ghraib prison in Iraq where prisoners were tortured. None of them was prosecuted.

In sum, the use of PMCs rises concerns not only about state sovereignty and accountability but also about human rights. When one examines such cases of private security contractors’ unethical behavior, one comes to the conclusion that in some instances PMCs might be the worst “diplomats” of “their” countries.

### Conclusion

There can be no doubt whether private contractors contribute to U.S. foreign policy. As Karl von Clausewitz noted, war is a serious instrument of politics. Those, who wage wars and get directly involved in military operations, carry out foreign policy. This is also the case with PMCs. They are going to play a pivotal role in future conflicts thus becoming important actors in international relations.

The process of the “privatization of war” taking place in the West is mirrored in the Non-Western world, especially in weak, failed and falling states. Warlords, private armies, drug cartels, and finally, the most symbolic but not the most lethal of them – terrorists, all exemplify this tendency. They use privatized violence. This process, on the other hand,

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<sup>12</sup> L. Wayne, *op.cit.*; P. W. Singer, *Peacekeepers, Inc.*, “Policy Review,” no. 119, June/July 2003.

<sup>13</sup> P. W. Singer, *Corporate Warriors...*, pp. 127–30; E. B. Smith, *The New Condottieri and U.S. Policy: The Privatization of Conflict and Its Implications*, “Parameters,” Winter 2002–2003, p. 110.

could be called the “privatization of violence.” I guess that in the future Western PMCs will be even more used by governments to face risks and threats posed by these actors. Privatized war will increasingly face privatized violence.

This year one *Blackwater Group*, one of the biggest U.S. PMCs, founded in 1997, offered the whole brigade of 6,000 private warriors ready to be used immediately. Who will buy their military services? Let me stop at this question.

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